

**CITY OF ASHEVILLE  
and  
ASHEVILLE REGIONAL HOUSING CONSORTIUM**

**CONSOLIDATED ANNUAL PERFORMANCE AND  
EVALUATION REPORT  
FOR THE CDBG AND HOME PROGRAMS**

**Year Ending June 30, 2004**

Submitted to the Citizens of Buncombe,  
Henderson, Transylvania and Madison Counties  
and the U.S. Department of Housing and Urban Development

September 30, 2004

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Robert G. Smith, Buncombe County

Barbara Volk, City of Hendersonville

Jason Young, Town of Woodfin

*Cover: Proud home-buyers at the Village at King Creek in Hendersonville. Each family member must contribute 700 hours of sweat equity to the project.*

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## ABBREVIATIONS USED IN THIS DOCUMENT

ABCCM	Asheville Buncombe Community Christian Ministry, Inc.
ABCRC	Asheville–Buncombe Community Relations Council, Inc.
AHC	Affordable Housing Coalition of Asheville Buncombe County, Inc.
AMI	Area median income
CAPER	Consolidated Annual Performance and Evaluation Report (this report)
CARROT	City of Asheville Rental Rehab. for Owners and Tenants (loan program)
CBDO	Community–Based Development Organization (a special type of non–profit defined in CDBG program rules)
CCCS	Consumer Credit Counseling Services, Inc.
CDBG	Community Development Block Grant (program)
CHDO	Community Housing Development Organization (a special type of non–profit defined in HOME program rules)
DPA	Down Payment Assistance
EMSDC	Eagle/Market Streets Development Corporation
FAIR	Flexible, Affordable, and Inclusive Rehabilitation (City loan program)
FHAP	Fair Housing Assistance Program (HUD Grant program)
FHIP	Fair Housing Initiatives Program (HUD Grant program)
FMR	Fair Market Rent
FTE	Full Time Equivalent (measure of job creation)
HAC	Housing Assistance Corporation
HACA	Housing Authority of the City of Asheville
HMIS	Homeless Management Information System
H/O	Home–Ownership
HOME	HOME Investment Partnerships Act (program)
HUD	U.S. Department of Housing and Urban Development
LBP	Lead–based paint
LIHTC	Low Income Housing Tax Credits
LMI	Low– and moderate–income (below 80% of AMI)
M/F	Multi–family (housing)
MHO	Mountain Housing Opportunities, Inc.
MMF	Mountain Microenterprise Fund, Inc.
N/C	New construction
NCFHC	North Carolina Fair Housing Center
NCHFA	North Carolina Housing Finance Agency
NHS	Neighborhood Housing Services of Asheville, Inc.
NIMBY	“Not in my back yard”

PHA	Public Housing Authority
S/F	Single family (housing)
SPMI	Severe, persistent mental illness
The Consortium	The Asheville Regional Housing Consortium (covering Buncombe, Henderson, Madison and Transylvania Counties)
VOAC	Volunteers of America of the Carolinas
WECAN	West End/Clingman Avenue Neighborhood
WNC Housing	Western North Carolina Housing, Inc.
WNCCHS	Western North Carolina Community Health Services, Inc.





# CITY OF ASHEVILLE CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT

For Fiscal Year July 1, 2003 - June 30, 2004

## Section I: Introduction

This report (the “CAPER”) describes the activities and accomplishments of the City of Asheville and the Asheville Regional Housing Consortium in their housing and community development programs in fiscal year 2003/2004. It focuses on how the City and the Consortium used federal Community Development Block Grant (CDBG) and HOME Partnership Act (HOME) funds, but it also describes how other local, state and federal funding was used to carry out closely related activities.

Priorities and objectives for the use of all of these funds are set out in the City’s **Consolidated Strategic Housing and Community Development Plan**, covering the five-year period July 2000 – June 2005. This is the fourth year of reporting under the current Strategic Plan.

The City of Asheville has been a **CDBG** entitlement community since the CDBG program was started in 1974. The City receives an annual block grant through the U.S. Department of Housing and Urban Development (HUD) to be used within the City limits. CDBG funds can be used with great flexibility to provide “decent housing and a suitable living environment and expanding economic opportunities principally for persons of low and moderate income”. The amount of funds available for this valuable and flexible program has decreased in recent years, from a high point of \$1,694,000 in FY 1996 to \$1,555,000 in FY 2004.



The **HOME** program, also funded through HUD, was started in 1992 to provide a block grant

specifically for affordable housing programs. The City of Asheville joined with the counties of Buncombe, Hendersonville, Madison, and Transylvania to form a consortium large enough to qualify for HOME funding. The HOME sections of this report therefore cover a wider geographic area than the CDBG sections. The City of Asheville is responsible for program administration, under the oversight of a Board on which all Consortium member governments are represented. The amount of HOME funds available to the Consortium has steadily increased from \$877,000 in FY 1994 to \$1,505,000 in FY 2004

This report starts with brief overviews of CDBG and HOME activities, expenditures and accomplishments (Section II) and the other funds leveraged by use of CDBG and HOME (Section III). Section IV describes how activities addressed the objectives in our Strategic Plan and other priorities defined by HUD. A summary of citizen comments (Section V) is followed by an evaluation of progress, barriers to progress, and changes that may affect our programs (Section VI). HUD-required certifications are in Section VII. Sections VIII and IX contain details of each activity receiving CDBG or HOME funds. Maps showing the location of these activities are in Section X. Section XI contains financial summaries and statistical information on program beneficiaries.

## Section II: Overview of Achievements

The City of Asheville and Asheville Regional Housing Consortium supported 65 projects with CDBG and HOME funds during the reporting year. Detailed descriptions of all program activities can be found in Section XIII (CDBG) and Section IX (HOME). The key accomplishments during the year were as follows:

- 284 units of affordable housing were assisted, comprising :
  - ⇒ 7 owner-occupied homes completely rehabilitated (including one rehabilitated for sale to a new homeowner)
  - ⇒ 160 rental units rehabilitated (including 149 at Vanderbilt Apartments)
  - ⇒ 25 homes given urgent repairs
  - ⇒ 44 new homes built and sold to first-time homebuyers
  - ⇒ 2 other homebuyers given downpayment assistance
  - ⇒ 8 new rental units completed
  - ⇒ 38 people received assistance with rent or emergency relocation

## Consolidated Report

- 1,766 households received home-buyer education, rental education, credit counseling, or fair housing advice.
- 135 young people enjoyed the Hillcrest Enrichment program
- 1,494 homeless people received shelter and other services
- 242 people benefited from job training, job creation, or micro-enterprise assistance
- Over \$16,000,000 was won by the City of Asheville and its partners in new federal, state, or foundation funds for housing and community development programs.

Programs are targeted primarily to households below 80% of area median income. Excluding administrative expenses, 83% of CDBG funds and 100% of HOME funds directly benefited households below 80% AMI. The remaining CDBG funds were used in the elimination of slum and blight, mainly in the South Pack Square redevelopment area.

Receipts and expenditures of CDBG and HOME funds are shown in Table 1. In addition to these funds, the City expended \$62,427 in CDBG Section 108 Guaranteed Loan Funds on rental housing rehabilitation. A balance of \$661,801 remains to be expended out of the original \$1,500,000 loan guarantee committed by HUD in 1999.

**Table 1**  
**Receipts, Expenditures and Leveraging of CDBG and HOME funds**

<b>Income:</b>	<b>CDBG</b>	<b>HOME</b>	<b>Other Funds</b>
Unexpended Balance at July 1, 2003	\$ 1,454,647	\$ 1,298,073	n/a
2003 Entitlement Grant	1,555,000	1,505,345	n/a
Program Income and Other	431,755	78,338	n/a
Other Adjustments			n/a
<b>Total funds available</b>	<b>\$ 3,441,402</b>	<b>\$2,881,756</b>	n/a
<b>Expenditures:</b>			
Housing	\$1,043,037	\$ 990,162	9,284,764
Economic Development	368,273	–	892,239
Public Services & Fair Housing	275,000	–	1,601,546
N'hood Improvements & Infrastructure	129,909	–	77,765
Debt Service	106,000	–	74,946
Planning & Administration	291,283	166,426	0

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<b>Total Expended</b>	<b>\$ 2,213,502</b>	<b>\$ 1,156,588</b>	<b>11,931,260</b>
<b>Unexpended Balance at June 30, 2004</b>	<b>\$1,227,900</b>	<b>\$1,725,168</b>	<b>n/a</b>

### Section III: Leveraging Other Funds

An important feature of the City's programs is the amount of funding leveraged by our use of CDBG and HOME dollars, that is the resources that are used alongside CDBG and HOME dollars to address consolidated plan objectives.

The last column of Table 1 shows how much was spent from other sources on CDBG- and HOME-assisted activities. It shows that **for every CDBG or HOME dollar spent on these activities, at least \$3.54 was leveraged from other sources.**

Table 2a lists grants, tax credits, and low-interest loans won during the reporting period, often against stiff competition, that are helping the City and its partner agencies carry out housing and community development programs. The total amount of **\$15,914,660** is the largest we have yet recorded and indicates agencies' success in leveraging large sums for multifamily construction and rehabilitation projects.

Table 2b lists low interest loans for housing development made by the City's Housing Trust Fund during the reporting year. The loan to Mountain Housing Opportunities directly supported a future HOME-funded activity, the remainder were made to for-profit developers producing housing that will be affordable to low and moderate-income households.

**Table 2a**  
**Other Major Funding Awards in 2003-04**  
**for CDBG- or HOME-Supported Programs**

<b>Grantee(s)</b>	<b>Program</b>	<b>Grantor</b>	<b>\$ Amount</b>
City of Asheville/ABCRC	Fair Housing	HUD - FHAP	176,200
		City of Asheville	60,000
		Buncombe County	30,000
City of Asheville/MHO	Clingman Ave. Infrastr.	NCDOT TEA-21 Enhancement Grant	172,131
City of Asheville	Energy Efficiency Grant	NC Community Development Initiative	30,000

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AHC	Homebuyer Education	Sisters of Mercy Z. Smith Reynolds Foundation	50,000 25,000
AHC	Renter Education	United Way HUD Housing Counseling	38,610 58,091
AHC	Interlace	HUD – Supportive Housing Prog.	263,137
Buncombe County	First Step Farm	Housing Works – Trust Fund Janirve Foundation NCHFA – Supportive Housing	100,000 50,000 250,000
Blue Ridge Area Authority	Shelter plus Care	HUD – Supportive Housing Prog.	181,800
CCCS	Housing Counseling	United Way HUD Housing Counseling Citibank	92,265 25,878 33,445
EMSDC	You Stand & SPS Redev.	NCDOL Educational IDA Other grants	29,466 35,714
Henderson Co. Habitat	Highlander Woods	Habitat Intl. – SHOP grant	39,273
Hospitality House	Homeless Services	HUD – Supportive Housing Prog. NC – Emergency Shelter Grant Sisters of Mercy Foundation Janirve Foundation	182,866 43,056 84,000 30,000
HACA	Woodfin Apartment	Housing Works – Trust Fund	100,000
MHO	Emergency Home Repair and Rural Housing Rehab	Buncombe Co. Aging Services United Way NCHFA	32,000 101,024 75,000
MHO	Housing Services	NCHFA New Homes Loan Pool	63,000
Mountain Microenterprise Fund	Small Business Development	Small Business Administration Asheville Merchants Fund Babcock Foundation Office of Children & Families Other grants	143,834 25,000 75,000 236,363 124,308
National Church Residences	Battery Park Apartments	LIHTC FHA 221(d)(4) loan	2,445,749 6,850,000
NHS	Housing Services/DPA	N’hood Reinvestment Corp.	90,000
WCCA	English Hills Apartments	LIHTC NCHFA	2,506,750 799,700
WNC Housing	Independence Cottages	NCHFA – Supportive Housing	165,000
		<b>TOTAL</b>	<b>15,914,66</b>

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Note: Grants less than \$25,000 are not individually listed

**Table 2b – Housing Trust Fund Loans Awarded in January 2004**

Developer	No. of Units	Type	Loan Amount
Mountain Housing Opportunities (Griffin Apartments)	50	Rental	\$140,000
T & W Vorst	2	Rental	50,000
Villas at Cedar Hill	42	Rental	185,000
T. Yurchenko	6	Rental	150,000
P.Saylor	2	Rental	80,000
Appeldoorn Apt. development*	34	For Sale	84,000
<b>Totals</b>	<b>78</b>		<b>\$689,000.00</b>

\* HTF funds will be used to carry out traffic calming around the development (not a loan). Developer has committed to selling at least 20% of 168 units to buyers below 80% AMI

## Section IV: How Activities Addressed Strategic Plan Objectives

### Affordable Housing

The City of Asheville and its partners used CDBG and HOME funds to produce a total of 284 affordable housing units during the reporting year. “Production” includes units of rehabilitation, down-payment assistance, and rent assistance, as well as new construction. Table 3 below compares this production with the targets set out in our Five-year Consolidated Strategic Plan for 2000–2005, and Table 4 provides a breakdown of beneficiaries by location and tenure type.

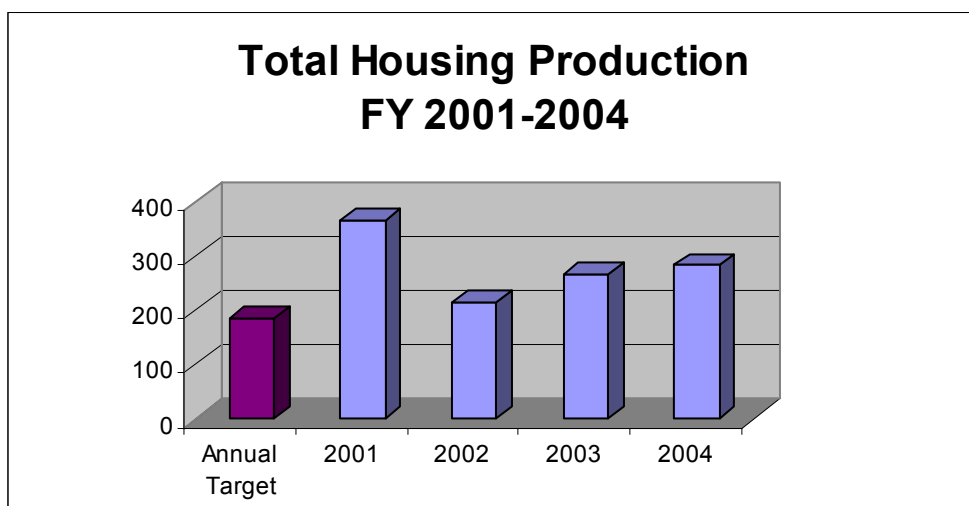
**Table 3****Affordable Housing Targets and Production**

Production Type	Targets		Production				
	5-Year	Annual	FY 00–01	FY 01–02	FY 02–03	FY 03–04	To Date
New Construction and Rehabilitation for Homeownership	125	25	25	36	40	45	146
New Construction or Conversion for Rental	250	50	60	74	130	8	272
Rehabilitation/Repair of Owner-Occupied units	225	45	72	52	52	31	207

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Rehabilitation of Existing Rental Units	250	50	157*	17	3	160*	337
Direct Homeownership (Downpayment) Assistance	75	15	6	4	0	2	12
Tenant Based Rent Assistance and Emergency Relocation	none	none	47	31	41	38	157
<b>Total units</b>	<b>925</b>	<b>185</b>	<b>367</b>	<b>214</b>	<b>266</b>	<b>284</b>	<b>1131</b>

\* includes repairs at the Vanderbilt Apartments



Taking the last four years together, we are exceeding our annual targets in every category except for direct homeownership (downpayment) assistance. Families who received assistance in order to buy a CDBG- or HOME-assisted home are not counted in this category - they are counted only once, under new construction. Production in most categories, and total production, now exceeds the five year target, with one more year to go.

In addition our partners have produced **at least 170 affordable units** that are not counted above because they were not directly assisted with local HOME or CDBG funds, including:

- 11 new single family homes were constructed by for-profit developers with assistance from City Housing Trust Fund loans. 5 of these also



received energy efficiency grants obtained by the City from the NC Community Development Initiative

- 4 new homes, priced under \$120,000, received City of Asheville fee rebate assistance (fee rebates also went to 41 homes assisted with CDBG, HOME or the HTF)
- 136 homes (mainly in Buncombe County) received emergency repairs by Mountain Housing Opportunities (MHO) in addition to the 25 assisted with CDBG funds.
- 3 homes in Madison County were rehabilitated using state CDBG funds
- 16 homebuyers received Down-Payment Assistance from Neighborhood Housing Services, in addition to one CDBG-assisted buyer.

Table 4

## Beneficiaries of CDBG and HOME Assisted Housing Activities, by Location, Tenure Type and Income

Category	Buncombe County			Henderson County			Madison County		Transylvania County		Totals
	Rehab	New Const	DPA/ TBRA/RELO	Rehab	New Const	DPA	Rehab	New Const	Rehab	New Const	
Renters											
Elderly											
0 – 30%	62		3		3						68
31 – 50%	23	9	2		1						35
51 – 80%	12	2									14
Total	97	11	5	0	4	0	0	0	0	0	117
Non-Elderly											
0 – 30%	32	10	26		2						70
31 – 50%	15	9	6		2						32
51 – 80%	3	9	1								13
Total Non-	50	28	33	0	4	0	0	0	0	0	115
Total Renters	147	39	38	0	8	0	0	0	0	0	232
Owners											
Elderly											
0 – 30%	10										10
31 – 50%	14	1									15
51 – 80%	1										1
Total	25	1	0	0	0	0	0	0	0	0	26
Non-Elderly											
0 – 30%	1	2			1						4
31 – 50%	1	5			11	1	1	1		2	22
51 – 80%	3	14	1		4						22
Total Non-	5	21	1	0	16	1	1	1	0	2	48
Total Owners	30	22	1	0	16	1	1	1	0	2	74
Grand Totals	177	61	39	0	24	1	1	1	0	2	306

Note: This table includes 47 units completed last year but occupied this year: 28 HACA Project 19 units, 8 at Hillside Commons in Hendersonville, and 11 at Compton Place. It excludes 25 units completed but not yet occupied: 8 at Ross Creek Commons, 2 at East End Place, 1 on Shadowlawn, 1 on Chapel Park Place, and 13 at Vanderbilt Apartments.

### Housing for People With Special Needs

The Strategic Plan's first priority in housing is "to help those with the greatest needs – the homeless, people with very low incomes, the frail elderly, and people with disabilities". Out of the 306 beneficiaries listed in Table 4 on the previous page, 152 (50%) have incomes below 30% of area median. This group may be roughly equated to HUD's "**worst case needs**" category. CDBG-funded service programs including homeless programs, and rental and financial crisis counseling helped another 2000 people with "worst case" needs.

The replacement of the obsolete fire safety system in the Vanderbilt Apartments preserved 149 affordable units for elderly and disabled people.

The creation of new supportive housing units for people living with **severe and persistent mental illness** is described in the Homelessness section, since so many people with this disability become homeless before their special housing needs are recognized.

All our other assisted housing programs can, and most do, serve people with disabilities and we have emphasized both **accessibility** and "**visitability**" in our evaluation of new housing projects. Retrofitting existing homes to make them accessible to disabled homeowners is a routine part of the rehabilitation programs operated throughout the consortium.

### Public Housing

The Strategic Plan does not set specific targets in the Public Housing area. The City and the Regional Housing Consortium rather seek to assist the seven Public Housing Authorities in the Consortium area in achieving the objectives in their five-year plans. A detailed account of progress under these plans is outside the scope of this report. The following is a summary of some achievements of the Housing Authority of the City of Asheville (HACA), by far the largest PHA in the Consortium area with 1540 units.

The Housing Authority achieved "**High Performer**" status in its 2003 HUD assessment under the Quality Housing and Work Responsibility Act.

HACA is using the majority of its annual capital fund to carry out renovations and upgrades to its housing stock of over 1,500 units. This year, improvements include electrical distribution upgrades as part of the Siemens Energy Conservation project. This work allows the Housing Authority to transfer ownership of the overhead power lines and transformers to the utility company having brought them to current standards of operation. The construction phase of the Energy Conservation project is drawing to a close and the Housing Authority looks forward to saving approximately \$321,000 in energy costs per year. Water retrofits (i.e., new toilets, showerheads and sink fixtures), new furnaces, appliances and lighting along with resident education on conservation will help realize this goal. The design for elevator upgrades at HACA's three high-rise buildings is nearing completion and contract negotiation for the work will be underway soon. HACA received a bonus of \$385,760 for timely obligation of its Capital Fund to improvement projects as well as for maintaining the "High Performer" designation. The total annual Capital Fund is \$2,321,371.

The City has partnered with the Housing Authority in several important projects:

1. Project 19, which consists of 24 units of scattered-site replacement housing, was completed in 2002-03 and is now fully occupied. These units are being assigned to residents participating in the Authority's homeownership program.
2. All funding has been secured for the renovations of the Woodfin Apartments (details in Section VIII). Relocation has been completed and construction will begin by October 1, 2004.
3. The Housing Authority issued 6.5 million dollars in bonds for the National Church Residences, Inc. for the purchase and renovation of the Battery Park Apartments , which is now underway (details in Section IX).
4. The City continued to use CDBG funds to support HACA's **Hillcrest Youth Enrichment** program, providing educational, recreational and cultural programs for young people living in public housing.
5. HACA is now providing project-based rental assistance for VOAC's **Life House** and MHO's **Compton Place**, both of them HOME-assisted projects completed in 2002-03.

One of HACA's major goals for the past few years has been to provide more **housing opportunities for people with special needs**. Units meeting this goal include:

- Four apartments on Bedford Lane in Oakley for families with chronic mental illness, in partnership with WNC Housing. The building (originally designated as part of "Project 19") was completed in 2002–03 and occupied this fiscal year.
- Six to eight conventional one-bedroom units in Klondyke are being made disabled-accessible as part of the 2003–2004 annual improvement plan.
- Nine public housing units will be set aside for people with HIV/AIDS when the Woodfin Apartments project is completed.

HACA is active in developing and maintaining other **resident initiatives**, including:

- Residents Council of Asheville, Inc., the governing body of the resident associations, which oversees other programs; HACA contracts with the Resident Council for lawn maintenance and moving services.
- Ten Resident Associations.
- Residents Management, Inc., training Hillcrest residents in housing management and currently managing Hillcrest Apartments. HACA is in the process of training a new class of residents for the continued management of Hillcrest Apartments.
- Family Self Sufficiency Program with sixty-two current participants. Thirty families have escrow accounts and ten families have already purchased homes.
- Girl Scouts and Boy Scouts programs (Lee Walker Heights, Erskine/Walton Apts. and Livingston Heights)
- Elderly Services In-Home Aide Program (in partnership with Mission St. Joseph's Hospital).
- The Community Safety Team, a collaborative effort with the Asheville Police Department, Buncombe County Sheriff's Department, through

which off-duty police officers provide extra patrols in the Housing Authority's neighborhoods. This program has been severely scaled back due to the loss of drug elimination funds.

- Youthful HAND (Housing Against Narcotics and Drugs) partnership with United Way after school program.
- The City of Asheville, Asheville City Schools and the Education Coalition have partnered to demonstrate to parents reading skills and strategies parents can use with their children while assisting them with homework assignments.

## Homelessness

The five-year Strategic Plan identified the highest priority homeless needs as transitional and permanent housing, case management, housing placement, mental health care, and job training. The subpopulations with the highest needs are the mentally ill and substance abusers. See Section VI (Self-Evaluation) for a discussion on how the priorities for addressing homelessness are currently changing.

The Plan set two specific performance objectives for addressing homelessness

- #1. Provide an additional 250 units of shelter or supportive housing (50 per year);
- #2. Achieve an accurate unduplicated count of persons experiencing homelessness.

The following table shows that 56 new units of supportive housing were provided in the program year, bringing the total for the first four years of the Plan to 195.

**Table 5 – Production of New Units for Homeless/Near Homeless**

Agency	Name, Location	Type/Target Population	Units
WNC Housing	Ross Creek Commons	Permanent Supportive Housing for people with SPMI	8
ABCCM/Veterans Administration	A Vets Place, [address]	Supportive housing for homeless veterans	48
		<b>Total</b>	<b>56</b>

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On objective #2, the Asheville–Buncombe Coalition for the Homeless, an informal coalition of area homeless agencies, has continued its point-in-time homeless counts. The latest count in April 2004 showed 698 homeless persons compared with 676 in April 2003. The Coalition is still planning to implement a **Homeless Management Information System** by the end of 2004, in compliance with HUD's requirements; however, HUD did not issue final specifications for the required data fields until July 2004. The Homeless Coalition is actively participating in the Carolina Homeless Information Network, a State-wide consortium, which is in the process of selecting a software vendor. Costs of compliance will fall on individual agencies and are estimated at \$200 –\$500 per agency per year.

During the reporting year the City used CDBG and HOME funds to assist the following programs that directly serve the homeless or prevented homelessness (see section VIII for program details):

- Hospitality House's emergency and transitional shelters and A–HOPE day center, which helped 1436 homeless people, including both single people and families;
- The Affordable Housing Coalition's rental counseling and education program, including tenant-based rent assistance to help families into stable housing.
- Financial crisis counseling by Consumer Credit Counseling Services;
- A planning and resource development grant to Pisgah Legal Services to enable it to coordinate the community's Continuum of Care and provide other advisory and grant-writing services to agencies participating in the Continuum;
- A separate planning grant to PLS to coordinate the preparation of a 10-year Plan to End Homelessness (see evaluation section for more detail).



*New permanent supportive housing at Ross Creek Commons*



Other CDBG and HOME supported programs that may help homeless or near-homeless people include Asheville–Buncombe Community Relations Council’s fair housing program, the You Stand job training program operated by the Eagle Market Street Development Corporation, and all housing rehabilitation and rental housing construction programs.

In addition to CDBG and HOME funding, local homeless programs receive funding from HUD’s McKinney programs for the homeless. Several agencies receive McKinney Emergency Shelter Grant funding through the State, while **Supportive Housing Grants** directly from HUD are currently assisting seven separate programs, as shown in Table 6

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**Table 6**  
**Supportive Housing Grants**

<b>Agency</b>	<b>Program</b>	<b>Year Awarded/ Amount</b>	<b>Expended 2003-04</b>	<b>Accomplishments 2003-04</b>
Affordable Housing Coalition	Interlace–transitional housing and support services for victims of domestic violence	<i>2003</i> \$263,137 <i>2002</i> \$263, 137	\$263,137	72 people (20 women and 52 children) were housed by Interlace during the fiscal year.
New Vistas Behavioral Health Services (formerly Blue Ridge Center)	Shelter Plus Care rental assistance for homeless mentally ill	<i>2003</i> 181,800 <i>2002</i> \$180,408	\$180,408	39 formerly homeless people assisted this year. 85% of all clients served to date are still in stable housing.
Hospitality House	A–HOPE outreach, safe haven, and day center for unsheltered homeless people	<i>2003</i> \$182,886 <i>2002</i> \$182,886	\$178,597	Served 1,621 people during program year. Supportive services increased by 20% compared with 02–03.
Housing Authority of City of Asheville	Woodfin Apartments – Acquisition and renovation of 19 affordable apartments for homeless with special needs	<i>2001</i> \$420,000	\$0	Design work and relocation completed; awaiting closing of loan financing.
HACA/ WNCCHS	Shelter Plus Care rental assistance for homeless families affected by HIV/AIDS	<i>2002</i> \$251,940	\$0	5 clients assisted with agency funds. Consultant hired to assist in implementation of HUD grant starting 7/1/04.

### Fair Housing

The City of Asheville and Buncombe County have adopted a fair housing ordinance substantially equivalent to federal law. This ordinance set up the Asheville Buncombe Fair Housing Commission and empowered it to adjudicate fair housing complaints. The Asheville–Buncombe Community Relations Council (ABCRC) acts as the executive arm of the Fair Housing Commission, and is responsible for administering the fair housing program in the City and County and investigating fair housing complaints . ABCRC was the first local agency in

the nation to be certified by HUD to investigate housing discrimination under federal law. It receives funding directly from the City and County General Funds, from City CDBG funds , and from HUD FHAP funds, via the City.

In 1998, the Asheville Regional Housing Consortium published its Analysis of Impediments to Fair Housing within the consortium's jurisdiction (Buncombe, Henderson, Madison and Transylvania Counties). The analysis also found evidence of continuing racial disparity in all types of housing, and room for improvement in other areas as well. The City of Asheville and the Asheville Regional Housing Consortium have adopted a Fair Housing Implementation Plan to address these impediments and made it part of the 5-Year Strategic Plan. Progress in implementing this plan is set out in the following table.

In addition to the actions listed below, ABCRC continued its investigation activities within Buncombe County. It submitted eleven fully documented fair housing complaints and investigations to HUD in 2003-04.

**Table 7**

**Fair Housing Implementation Plan**

*Impediments identified in 1998 Analysis are in bold type*

Recommendations for Action	Responsible Agency	Status
<b>1. Lack of knowledge about fair housing rights and persistent cultural attitudes that encourage separation impede fair housing.</b>		
a. ABCRC to continue FH education/outreach in Buncombe Co. and in other counties as funds are available. It will refine its targeting to reach more residents in protected classes, particularly minorities and disabled.	ABCRC	In 2003-04, ABCRC conducted over 30 workshops on Fair Housing issues in Buncombe County, attended by approximately 300 people. Effective outreach to the Hispanic community is evidenced by a sustained increase in complaints from this group.
b. ABCRC should seek HUD FHIP funding for mass media campaign on FH rights.	ABCRC	HUD has ruled that ABCRC is not eligible for FHIP funding
<b>2. Lack of funding for testing and enforcement and reluctance of victims to pursue legal remedies are serious impediments. Active testing is essential for investigating complaints and deterring discrimination.</b>		
a. Ensure adequate funding	ABCRC	ABCRC is currently funded from City &

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for testing and enforcement by ABCRC. Seek FHIP funding. Partner with Pisgah Legal Services for future grant applications.		County grants and a HUD FHAP grant. It has increased its FHAP funding through increased caseload and Partnership Initiative funds from \$45,400 in 2000–01 to \$172,700 in 2003–04
b. Consortium should approach NCFHC to request “survey testing” in areas outside ABCRC’s jurisdiction.	Consortium Board	ABCRC has contracted with the NC Fair Housing Center and completed the first phase of testing in the Consortium area.
c. Hendersonville and Henderson Co. should consider adopting FH ordinance; or expand role of Asheville/Buncombe Fair Housing Commission to cover entire region.	Consortium Board, Henderson Co. Hendersonville	No further action on this in 2003–04
<b>3. Limited and declining availability of affordable housing is an impediment, because members of protected classes are more likely to be economically disadvantaged.</b>		
a. Consortium Board to discuss and renew commitment to FH; follow up with meetings and technical assistance in all Counties and municipalities.	Consortium Board and members	Consortium Board discussion and update in August 2003.
b. Members should consider local funding for affordable housing .	Consortium members	Asheville has increased its annual HTF funding to \$600,000. Buncombe County created a Trust Fund in 2004 with \$300,000 of local funds. Other Consortium members have made grants for HOME–assisted projects .
c. Members should encourage public/private affordable housing ventures.	Consortium members	Asheville is using HOME, CDBG, HTF, and fee rebates to support private development & rehab. Henderson County has used a state CDBG grant to assist a private LIHTC project, Parkside Commons, in East Flat Rock.
<b>4. Lack of a consistently enforced minimum housing code is an impediment, because members of protected classes are more likely to live in substandard housing.</b>		
a. Consortium members should adopt minimum housing code.	Consortium members	Asheville, Hendersonville, Brevard, Black Mountain, Woodfin, and Buncombe County currently operate minimum housing codes.

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b. Consortium Members should explore linking code enforcement to funding for rehabilitation; Board should encourage rental rehab programs.	Consortium	Asheville offers its rental rehabilitation (CARROT) program to all owners of MF housing with code violations. At present, no other Member has an investor-owned rehabilitation program.
<b>5. Current zoning laws permit or foster NIMBY objections to multifamily housing, restricting the development of affordable housing in many neighborhoods.</b>		
a. Zoning should encourage scattered site development of affordable housing. Consortium members should consider permitting multifamily housing in all zoning districts, subject only to clearly defined restrictions and conditions that do not have the effect of preventing such developments.	Consortium Members	Asheville is seeing increased use of Conditional Use Re-Zoning for affordable and mixed-income development and has passed several ordinances to make M/F housing easier to locate (see “Barriers” section).  A detailed review of the fair housing impacts of zoning ordinances has been completed. Most Members have ordinances that exclude multifamily developments from low- to medium-density districts, or make them subject to conditional use hearings.
b. Asheville should determine how much vacant MF zoned land is suitable for such development.	Asheville	Asheville has developed a GIS database and mapped these parcels. Availability of land for M/F development continues to be an issue.
c. Consortium members should consider permitting group homes for persons with disabilities in all zoning districts, with only minor, clearly defined conditions, not requiring a special hearing.	Consortium Members	Asheville has amended its UDO to allow group homes to be sited in all residential zoning districts.
d. Madison Co. should revise its zoning ordinance to remove an exclusion for certain rest and convalescent homes, which discriminates against a protected class.	Madison Co.	Madison County Commission has taken no action to date.
<b>6. Shortage of affordable housing with supportive services for people with special needs is a serious impediment.</b>		
a. Substantial part of	Consortium	The production of supportive housing

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Consortium's resources should be devoted to special needs housing.	Board	continues to be a high priority. Over the past four years, the number of SH units produced with CDBG/HOME assistance roughly equals the number of S/F units for homeownership.
b. Consortium members should conduct FH workshops to educate persons with mental disabilities, their advocates, and landlords .	ABCRC	ABCRC conducts several workshops each year targeted to people with disabilities and also covers this aspect in workshops for landlords.
<b>7. HMDA data shows African American loan applicants are disproportionately turned down, indicating the likelihood of Fair Housing violations that would be a serious impediment.</b>		
a. ABCRC should seek Special Enforcement Funds to investigate lenders for illegal discrimination	ABCRC	ABCRC is working with NAACP and NC Fair Housing Center to provide education on predatory lending practices.
b. Consortium should encourage local lenders to address imbalance of lending to minorities.	Consortium Board and local lenders	NAACP has held several workshops on predatory lending practices, which target minority and low-income homeowners. A Latino Community Credit Union has been formed with assistance from the Self Help Credit Union.
<b>8. Limited scope of public transportation is an impediment, because minorities and persons with disabilities are more likely to depend on public transportation.</b>		
Consortium Members should support initiatives in expanding transportation programs that help lower-income persons get to jobs, services, and shopping, including creative alternatives such as ride-sharing, van-pooling, and park-and-ride lots.	City, Consortium	Asheville Transit Authority has expanded fixed route bus services in Asheville and Buncombe Co. 75% of the population now lives within ¼ mile of an hourly or better bus service (90% in the most densely populated areas). Improvements during the year included more frequent services to public housing and late night service on Tunnel Road – an important area for retail jobs. ATA also runs a service between Asheville and Black Mountain, and has partnered with Apple Country Transportation to provide a bus service between Hendersonville and Asheville, linking at the regional airport. Mountain Mobility provides a demand-

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		<p>response service for elderly, disabled, and rural general public passengers in Buncombe Co., averaging 450 passenger trips each day. Its community service public bus route in Black Mountain links residential areas, senior housing communities, employees, and college students with the Asheville Transit services. This route carried 289 passengers in June and ridership is growing each month.</p> <p>Apple Country Transit operates three bus routes in Henderson County, connecting Fletcher and other areas to Hendersonville. Routes have been running for successfully two years, with 500–800 passengers a week on each one.</p>
9. Absence of members of protected classes on HCD Committee and Consortium Board is an impediment.		
Continue to encourage minority representation on these bodies.	City, Consortium	One out of 14 Consortium Board members is African American. There is currently no minority Asheville Council Member eligible to serve on the City's HCD Committee.

<b>10. Some federal policies are impediments.</b>		
Continue to press HUD for realistic fair market rents, and consider funding a survey if HUD will not.	Consortium Board	HUD proposed FMR rents for 2005 are significantly increased except for 2-bedroom units.
<b>11. Racial disparities between public housing and section 8 programs demonstrate an impediment.</b>		
a. Housing Authority should contract with ABCRC to test whether section 8 landlords are discriminating illegally.	HACA, ABCRC	a. HACA and ABCRC have discussed these issues at staff level. No funds are available for testing.
b. Housing Authority should contract with ABCRC to conduct FH workshops		b. ABCRC is planning to contract with Housing Authority to provide workshops to staff and tenants
<b>12. Steep terrain is an impediment, because it restricts water &amp; sewer extensions for new affordable housing and makes many sites impracticable for persons with mobility impairments.</b>		
Members should continue to seek federal and state support for infrastructure that will assist creation or preservation of affordable housing.	Consortium members	Madison County has actively pursued a straight pipe elimination program. Madison County and City of Brevard won state CDBG Neighborhood Revitalization grants for selected neighborhood improvements. Henderson Co. used state CDBG funds for water & sewer upgrades for an LIHTC project.

## Economic Development

The Strategic Plan's priorities for economic development in 2000–2005 are to develop jobs that pay a living wage and train people for such opportunities, to support small business development, and to continue the revitalization of South Pack Square. Specific targets are:

- Assist in creation of 200 new jobs (40 per year) or business opportunities for LMI persons that pay a living wage.
- Provide training and job placement for 100 low-income persons (20 per year)



Two CDBG-funded programs contributed towards these targets during the program year:

- **Mountain Microenterprise Fund** provided technical assistance to small entrepreneurs; 83 participants started a business, creating 80 jobs.
- **Eagle/Market Streets Development Corporation (EMSDC)** provided training and job placement for people with significant barriers to employment. 22 clients found employment.

Progress to date in meeting the Strategic Plan's outcome targets is shown below. The five-year target has already been surpassed.

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Outcome	5-Year Target	Annual Target	Achievements				
			FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04	Total to date
New jobs or self-employment opportunities	200	40	115	89	52	163	419
Job training and placement	100	20	43	26	32	22	123

EMSDC also made significant progress in its plans for the revitalization of **South Pack Square**. A development entity, South Market Development Corporation 1, LLC, has been formed, in partnership with Historic Acquisitions, Inc., an experienced for profit developer, and Enterprise Real Estate Services , a subsidiary of the Enterprise Foundation, to restore five deteriorated buildings on Eagle and South Market Streets, and construct a new infill building on S. Market



Street. The plans (see below) and financing package are complete, but work has regrettably been held up since November 2003 by a lawsuit filed by a neighboring property owner.

Additional activities undertaken by the City in the Economic development field included:

- The City participated with the Land of Sky Regional Council staff to secure EPA funds for Brownfields programs.
- Continued involvement in effort to get tax increment financing approved in North Carolina; City ED Director is Co-Chair of statewide advocacy group.
- The City worked with a regional group advocating for reintroduction of passenger rail service to WNC. Asheville City Council approved spending \$141,000 for its share of costs (to be combined with funds from NCDOT) to purchase a site for a rail station.
- The City partnered with RiverLink in development of a Master Plan for revitalization of riverfront. The Plan includes upgrade of existing roadways through the river corridors to "parkways", featuring provision for multi-modal access throughout the corridors. The Plan, when fully implemented, will grow the riverfront tax base from \$17 million to over \$200 million.
- The City's participation in the State Development Zone program, which started in 1999, has generated, through 2001, nearly \$7,000,000 of investment, with 19 new jobs in manufacturing or wholesaling, and training of 374 workers. The state has contributed \$300,235 in tax credits to businesses located in Asheville's SDZ.

### Other Non-Housing Community Development

The Strategic Plan identifies housing, homelessness, and economic development as the City of Asheville's highest priorities for CDBG support. It states that CDBG funding for infrastructure, public facilities and public services should be limited to projects that directly support housing or economic development activities.

The only performance target in this area is:

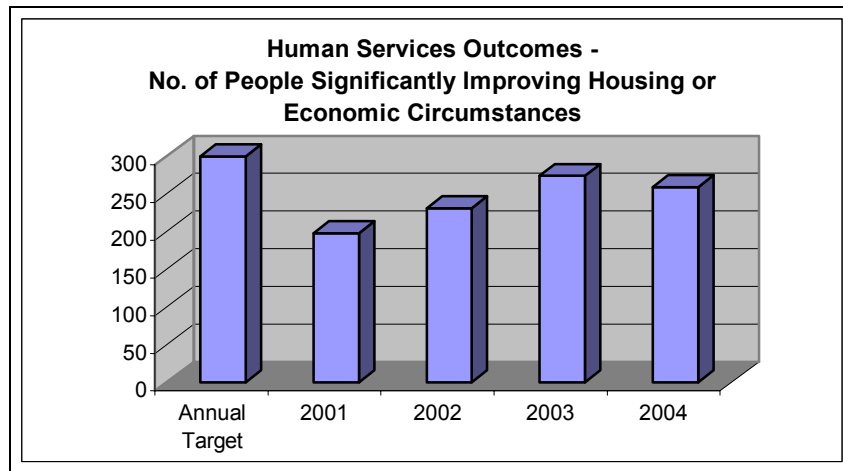
"To use CDBG funding of public services to assist 300 persons each year to significantly improve their housing or economic opportunities".

As shown in the table below, CDBG-assisted **human services programs** helped at least 187 individuals or families achieve these outcomes during the program year

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ABCRC Fair Housing Program	6 people improved their housing conditions after investigation and resolution of their Fair Housing complaints
Hospitality House	90 people moved from emergency shelters or transitional housing into more permanent housing
Consumer Credit Counseling Service	68 people successfully repaid all their unsecured debt through CCCS' Debt Repayment Program.
AHC Homeownership Education*	37 low-income families achieved homeownership
AHC Rental Counseling *	53 renter families met their goals for improving their housing conditions
EMSDC You Stand program	5 people achieved stable employment at a living wage

*\*in partnership with the Consumer Credit Counseling Service*



In the area of **Public improvement and Infrastructure**, priority is given to projects that address housing and homelessness. Activities undertaken or completed during the year include:

- Improvement of property originally owned by the City at East End Place has resulted in the completion of 6 housing units.
- Site improvements have been completed on City property on Brotherton Avenue, where 32 units are planned.
- Infrastructure improvements in the West End Clingman Avenue Neighborhood (WECAN) target area. Three waterline improvement projects are almost complete and work has started on the construction of Prospect Street, a new street which will serve 10 new homes.
- Construction of a new halfway house for recovering substance abusers has started. This will expand Flynn Home's capacity from 16 to 22 beds.

#### Other HUD-Defined Priorities

##### *Removing Barriers to Affordable Housing*

Funding: The City again increased the annual appropriation for its Housing Trust Fund, from \$500,000 to \$600,000. Together with repayments from earlier loans, this provided \$689,000 which was allocated to six projects which will produce 78 new affordable housing units (see Table 2a).

Fees: The fee rebate scheme operated by the City of Asheville, the Metropolitan Sewerage District, and the Regional Water Authority provided a total of \$36,566 in rebates on building permits and water and sewer fees for 29 new homes priced under \$120,000 and 16 new affordable rental units .

Buncombe County continued its waiver of landfill fees for waste materials generated by affordable housing projects.

Other Barriers: The City of Asheville has continued to revise its zoning ordinances to remove barriers to affordable housing. A complete response to HUD's Questionnaire on removing regulatory barriers to affordable housing is in our 2004 Consolidated Action Plan.

The City scored 15 out of a possible 19 points on this assessment.

### ***Evaluating and Removing Lead-Based Paint Hazards***

Lead-based paint (LBP) can be found in homes built before 1978, when it was banned for residential use, and it is very common in housing built before 1950. The Strategic Plan sets two goals in this area:

- a. To reduce LBP hazards in 40 units a year, Consortium-wide.
- b. To increase the annual lead poisoning screening rate for children aged 6 and under to more than 35% in all counties by 2005.

These goals were predicated on receipt of a HUD LBP Hazard Reduction Grant. An application was submitted in 2001, but was not successful. Lacking a source of funding specifically for LBP hazard reduction, we have noted a reduction in the number of older properties rehabilitated. The cost and additional complexity of addressing LBP in compliance with HUD and state regulations is still proving a disincentive to rehabilitation.

Consortium-wide, 5 rehabilitations were completed which involved LBP hazard reduction and successful clearance testing.

During the program year, City staff worked with partner agencies to improve compliance with HUD LBP hazard reduction regulations. A course organized by the City and the HUD training consultant in April 2004, provided nearly 50 agency and City staff with detailed training on HUD requirements.

